

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF ALABAMA  
NORTHERN DIVISION

\* \* \* \* \*

**COPY**

GRAND JURY TESTIMONY

IN THE MATTER OF:  
DON SIEGELMAN

DOCKET NUMBER  
CRC-03-0233

\* \* \* \* \*

The testimony of JIM ALLEN, taken on the  
22nd day of August 2005.

A P P E A R A N C E S

CASE PRESENTED BY: STEVE FEAGA, ESQ.  
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JIM ALLEN

The witness, having been duly sworn to speak the truth, the whole truth and nothing but the truth, testified as follows:

EXAMINATION

BY MR. FEAGA:

Q Sir, would you tell the ladies and gentlemen of the grand jury your name?

A Jim Allen.

Q And where do you live, Mr. Allen?

A I live on Peace Church Road in Elmore County.

Q How long have you been living in Elmore County?

A Roughly 30 years.

Q Would you tell the ladies and gentlemen of the grand jury what you do for a living?

A I own toll roads. I provide revenue collection systems for government. I own real estate, and I have other real estate investments.

Q I want to direct your attention, Mr. Allen, to a time frame in approximately the middle of October 1998 and ask you if at or near that time you had occasion to talk to somebody named Don Siegelman?

A Yes, sir, I did.

1 Q Would you tell the ladies and gentlemen of  
2 the grand jury at that time in your life who did you  
3 know Don Siegelman to be?

4 A He was a prior lieutenant governor and he  
5 was running for the office of governor.

6 Q And what, if anything, did you and Mr.  
7 Siegelman talk about at or near that -- do you  
8 remember the day that it was that y'all spoke?

9 A Yes, sir. He called our office, my office  
10 on the 15th.

11 Q Of?

12 A Of October 1998.

13 Q Okay.

14 A And asked me to come to Birmingham, Mac  
15 Roberts and myself to come to Birmingham to meet with  
16 him on the 16th.

17 Q Okay. Now, tell the ladies and gentlemen of  
18 the grand jury who Mac Roberts was at that time in  
19 terms of your life.

20 A Mac Roberts was an employee of mine who had  
21 worked with me for a number of years.

22 THE FOREMAN:

23 Sir, at the end of your statements you kind  
24 of trail off. Could you -- people in the back.

25 THE WITNESS:

1 I'm sorry.

2 THE FOREMAN:

3 Thank you.

4 BY MR. FEAGA:

5 Q He was an employee of yours at that time?

6 A Yes, sir.

7 Q What do you -- can you tell the ladies and  
8 gentlemen of the grand jury what his duties and  
9 responsibilities were with your companies or your  
10 business endeavors?

11 A He was responsible for building my --  
12 building the toll roads and the infrastructure. He  
13 was also responsible for operations, managing those  
14 toll roads.

15 Q What, if anything, do you know about his  
16 background that qualified him to do that sort of work  
17 for you?

18 A He had worked for the Department of  
19 Transportation for over 30 years, and he had worked  
20 himself up through the ranks. He had been in  
21 engineering. He had been in the bridge bureau. He  
22 had done diving and inspection of bridges and managed  
23 construction of them. He had also been assistant  
24 highway director or director under a number of  
25 administrations.

1 Q Was he retired from the state of Alabama --

2 A Yes.

3 Q -- before he came to work for you?

4 A Yes, sir, he was.

5 Q Okay. Now, at the time that you-all got  
6 this call from Lieutenant Governor Siegelman,  
7 candidate-for-governor Siegelman, saying he wanted to  
8 see you and Mr. Roberts in Birmingham, were you  
9 involved in supporting actively or through  
10 contributions any of the candidates for governor that  
11 were candidates at that time in October of '98?

12 A Yes, sir. I was supporting Fob James.

13 Q Were you supporting him financially?

14 A I had made contributions to him.

15 Q Okay. And do you think it was known amongst  
16 people in the know in politics that you were a Fob  
17 James supporter?

18 A Pretty much so.

19 Q Now, when -- did you go to Birmingham to  
20 meet with Governor Siegelman?

21 A Yes, sir, I did.

22 Q And what were your expectations, if you  
23 would -- would you share them with us -- at the time  
24 that you were traveling to Birmingham? Mr. Roberts  
25 was with you, I gather?

1 A Yes, sir, he was.

2 Q What were your expectations about why you  
3 were being called to Birmingham, if any?

4 A Throughout the year of 1998, early on when  
5 the campaign started Don Siegelman asked Mac if he  
6 would -- Mac Roberts if he would come and help him in  
7 raising funds. And I had allowed Mac to go and work  
8 with the candidate-for-governor Don Siegelman in  
9 trying to raise funds. He had provided him with some  
10 names of some people he could get money from. And I  
11 assumed that he was calling me up there to thank me  
12 for allowing Mac to do that on my time, on company  
13 time.

14 Q Okay. Did you travel up to Birmingham?

15 A Yes, sir.

16 Q When in relation to the call that you got on  
17 the 15th of October, about when would it have been  
18 that you went up there?

19 A We went up there on the 16th.

20 Q Okay. Would you tell the ladies and  
21 gentlemen of the grand jury, as best you recall where  
22 did you go?

23 A It was an old house that had been converted  
24 to an antique dealership or it was some type of an  
25 interior design place. It had a lot of antique

1 furniture in it and out on the porches and all.

2 Q Okay. And it was in -- was it in a  
3 particular city?

4 A It was in Birmingham.

5 Q Okay. And what, if anything, happened after  
6 you arrived there?

7 A We walked in. We were greeted by, I believe  
8 it was Nick Bailey inside. And then shortly after we  
9 arrived we were taken to the room where the Governor  
10 was.

11 Q This would have been at that time candidate  
12 Siegelman, lieutenant governor?

13 A Correct.

14 Q Okay. And I just want to be clear.

15 A Correct.

16 Q Well, what, if anything, happened when you  
17 got into the room with Governor Siegelman or -- well,  
18 we'll just call him Governor Siegelman.

19 A Walked into the room and he -- we had the  
20 normal greetings, shaking hands. And then Mac and I  
21 sat down and he was standing behind his desk.

22 Q Did you get the thank you that you were  
23 expecting?

24 A No, sir. It turned out he was very -- he  
25 was very upset with me.



1 Q What, if anything, did he do to demonstrate  
2 to you that he was upset with you?

3 A You could see it on his face. And he  
4 pointed his finger at me and made a very strong  
5 statement to me.

6 Q What did he say?

7 A He said that I hadn't helped him one bit  
8 during his campaign and he was going to remember it.

9 Q Okay. Now, what did you, sitting there,  
10 take that to mean when he said you haven't helped me  
11 and I'm going to remember it?

12 A Well, he was leading in the polls, and my  
13 impression was that if I didn't do something to  
14 contribute to him to help him, if he took office that  
15 I would have a tough time doing business in Alabama.

16 Q Were you at a particularly vulnerable period  
17 of time in the development of your business interests  
18 at that time insofar as your interactions with the  
19 state of Alabama?

20 A Yes, sir. I had invested over 20 million  
21 dollars in three toll roads in Alabama. One of them  
22 had just opened in April, was still in its buildup  
23 phase, and another was due to open in about ten days  
24 from this meeting.

25 Q What would a governor be able to do that

1 could potentially adversely impact your business  
2 interests?

3 A The governor in Alabama has an extreme  
4 amount of power in the DOT. The DOT has over a  
5 billion dollars a year in revenue, and the governor  
6 is able to direct that. So he could have easily put  
7 a road around my facilities or done things to prevent  
8 traffic from getting to my facilities.

9 Q And that would cause a corresponding  
10 potential reduction in revenue for you?

11 A Reduction or basically elimination of it.

12 Q Now, having said these things to you, did he  
13 make any request of you at that time?

14 A Yes, sir. He said that other people had  
15 given him as much as a hundred thousand dollars and  
16 he wanted me to give him a hundred thousand dollars.

17 Q And what, if anything, did you say in  
18 response to that?

19 A Told him that I didn't have a hundred  
20 thousand dollars to give him.

21 Q Okay. And what, if anything, did he say in  
22 response to that?

23 A He said, would you give me fifty thousand  
24 dollars.

25 Q And what did you say?

1       A           I explained to him that I didn't have fifty  
2       thousand dollars to give him; that I had just  
3       invested over twenty million dollars in my  
4       facilities. My facilities were not up and running  
5       yet and that I couldn't come up with that kind of  
6       money.

7       Q           Did any further conversation take place  
8       about this?

9       A           He said forty thousand dollars; and if  
10      you'll give me the forty thousand dollars, I'll let  
11      you pick the next highway director.

12     Q           What, if anything, happened after he said  
13      that to you?

14     A           I told him okay, but I would have to go and  
15      see if I could borrow the money.

16     Q           Mr. Roberts was present when this  
17      conversation between you and Mr. Siegelman was taking  
18      place; is that right?

19     A           Yes, sir.

20     Q           And what did you say you said back to him?  
21      I missed that just a minute ago. I apologize.

22     A           I told him okay. That was about all I said.  
23      But I made a point to say I'll have to go see if I  
24      can borrow this money.

25     Q           And why did you say I'll have to go see if I

1 can borrow it?

2 A I had seen over the course of the year his  
3 tactics of continuing to get revenue from people, and  
4 I wanted to make a point to him that I just didn't  
5 have this kind of money so he didn't continue to come  
6 back for more and more money from me.

7 Q And that's why you used the terminology  
8 going to borrow it?

9 A Yes, sir.

10 Q Now, did this meeting at some point, did it  
11 conclude shortly after these conversations took place  
12 between you and then-candidate Siegelman?

13 A Yes, sir. He told us about all of the  
14 campaigning he was doing and how the polls looked and  
15 how the papers were writing about him across the  
16 state, and it did conclude.

17 Q And did you on your way out of the building,  
18 did you actually have to leave the room and walk out  
19 of the building?

20 A Yes, sir, I did.

21 Q Did anything happen while you were on your  
22 way out?

23 A When we got back to the lobby area I wanted  
24 to make sure that his staff knew that I was going to  
25 have to borrow this money so they didn't continue to

1       come after me for more money as well. So I turned to  
2       Mac Roberts -- but I made sure that someone else  
3       could hear -- and said that that was going to cost me  
4       forty thousand dollars and I was going to have to go  
5       borrow the money to do it.

6       Q           Okay. Now -- and then did you and Mr.  
7       Roberts depart the area?

8       A           Yes, sir, we did.

9       Q           Okay. And how had you traveled up there?

10      A           We drove up there.

11      Q           Okay. So did you drive home together?

12      A           Yes, sir.

13      Q           Did you talk to Mr. Roberts on the way home  
14      about this conversation?

15      A           Yes, sir, I did.

16      Q           Would you share that conversation with the  
17      grand jury as best you recall it?

18      A           I asked Mac what he thought about the  
19      meeting we just had, and he said that he had never  
20      seen anything like it in all of his career; that we  
21      were both mistreated and abused, and he just couldn't  
22      believe what had just happened.

23      Q           Okay. And did you and he reach sort of an  
24      agreement about how you would react to it while you  
25      were riding home?

1 A Well, we concluded that we had about two  
2 weeks before the election, and we decided that we  
3 were going to wait until the two weeks was up before  
4 we made a decision, but we were going to monitor the  
5 polls. And Mac indicated to me that the best polls  
6 in the state were the ones that Paul Hubbard has, the  
7 education polls. And so we decided that we were  
8 going to monitor those every day before we had to  
9 make the final decision and see what was going to  
10 happen with the race.

11 Q And at some point in time did you make a  
12 final decision?

13 A Yes, sir, we did.

14 Q Okay. And what was that decision?

15 A It was November the 2nd, the day before the  
16 election, and we concluded that it looked like he was  
17 going to win, and I decided that I was going to have  
18 to go ahead and give him the forty thousand dollars.

19 Q All right. And did you do that in the form  
20 of a single check to the Don Siegelman campaign for  
21 governor?

22 A No, sir. It was nine checks.

23 Q Okay. And who were the nine checks written  
24 to?

25 A Different PACs, different political action

1 committees.

2 Q And how did you know what political action  
3 committees to write these nine checks to?

4 A We called back to Governor Siegelman's  
5 office, and I'm not sure if it was Paul Hamrick, Nick  
6 Bailey or Don himself who gave us the PACs to write  
7 it out to.

8 Q Now, I'm going to digress just briefly. You  
9 said you weren't sure if it was Paul Hamrick or Nick  
10 Bailey or Don Siegelman. Do you know somebody named  
11 Paul Hamrick?

12 A Yes, sir, I do.

13 Q Who is Paul Hamrick?

14 A He was one of the Governor's assistants. I  
15 think he was chief of staff or ended up being chief  
16 of staff for the Governor. At that time he was just  
17 very active in his campaign.

18 Q Okay. Have there been occasions during  
19 the -- since that -- both at this time and since then  
20 when you've had occasion to talk to Paul Hamrick?

21 A Yes, sir, there have.

22 Q And have there been occasions since that  
23 time that you've had occasion to make contributions  
24 to some political endeavor that Governor Siegelman  
25 was involved in?

1 A The best I can recall, I think there was one  
2 additional time that I made contributions.

3 Q And have you talked with Paul Hamrick? What  
4 I'm getting at, when you say you're not sure if it  
5 was any one of the three of them, is the reason why  
6 you're not sure is because at different times you've  
7 talked to all three of them?

8 A Yes, sir, I did.

9 Q About political contributions and how to  
10 make them?

11 A Exactly.

12 Q Okay. Now, you just said that you were  
13 directed by one of the three of them on how to write  
14 these checks out. Did you actually sign the checks  
15 yourself?

16 A Yes, sir, I did.

17 Q Why did you sign them yourself?

18 A I wanted to have my signature on it so he  
19 knew this was coming from me.

20 Q Okay. And did you deliver those checks?

21 A Yes, sir, I did.

22 Q And tell the ladies and gentlemen of the  
23 grand jury as best you recall how you effectuated the  
24 delivery of the checks.

25 A Took the checks and went to his campaign, I



1 believe it was his headquarters. It was a strip  
2 shopping center. And went in and gave them to Don  
3 Siegelman.

4 Q Was Mac Roberts with you when you did that?

5 A Yes, sir, I believe he was.

6 Q Okay. Now, having delivered the  
7 contribution, I think history would bear out that Don  
8 Siegelman did in fact win the election that day.

9 A The next day, yes, sir.

10 Q The next day. Okay.

11 And so he became the governor-elect?

12 A Yes.

13 Q Did you serve on any part of the transition  
14 committee that Governor Siegelman organized to  
15 facilitate his taking office in January of '99?

16 A Yes, sir, I did.

17 Q What part of the transition did you play a  
18 role in?

19 A I was appointed to the transition team to  
20 work with the Highway Department and to make a  
21 recommendation to the Governor for the highway  
22 director.

23 Q All right. And did the transition team  
24 ultimately make a recommendation to Governor-elect  
25 Siegelman about who should be highway director?

1       A           Yes, sir. We made two. We couldn't agree  
2       on which candidate so we narrowed it to two  
3       candidates, and we went as separate groups to make a  
4       recommendation to the Governor.

5       Q           Okay. Now, when you went as separate groups  
6       to make a recommendation to the Governor, you had not  
7       shared with the transition team members, the other  
8       people, you had not shared with these other folks  
9       this conversation that you've told the grand jury  
10      about that you had with Governor Siegelman a couple  
11      of weeks before the election and you had not told any  
12      of them about that; is that right?

13     A           No, sir, I hadn't.

14     Q           Who were the two people -- you said couldn't  
15      agree so you recommended more than one?

16     A           Yes, sir.

17     Q           Who are the two people that y'all  
18      recommended or decided to recommend?

19     A           It was a Department of Transportation  
20      individual named Horsley and another DOT individual  
21      named Bass.

22     Q           Okay. And which one of those two  
23      individuals were you supporting at that time?

24     A           Ray Bass.

25     Q           Mr. Bass did not get appointed highway

1 director. Did something happen during this process  
2 that caused you to become aware of another individual  
3 that would be interested in becoming highway  
4 director?

5 A Yes, sir. Just after I made my  
6 recommendation to the Governor for Ray Bass -- and I  
7 had another individual who recommended the same with  
8 me -- Mac Roberts came to me and told me that Senator  
9 Barron had been talking with him and would like for  
10 him to be the highway director. He said for the  
11 first time he thought he would be interested in  
12 taking the job.

13 Q Okay. And now, in terms of your concerns  
14 about making sure that -- were you concerned all  
15 through this process that somebody get over there  
16 that would not cause problems for your business  
17 interests with the state? Is that something you  
18 wanted to see to it didn't happen?

19 A I wanted to -- I wanted to make sure --  
20 after the threat that had been made, I wanted to make  
21 sure that somebody would be there that would not harm  
22 me.

23 Q Okay. And Mac Roberts, was he someone that  
24 you viewed as someone that would not harm you?

25 A Yes, sir. He was a friend.

1 Q Did you have any conversations with Governor  
2 Siegelman after you had this conversation with Mac  
3 Roberts where he let you know that Senator Barron  
4 wanted him to go over there and he was now interested  
5 in doing it?

6 A Yes, sir. About two weeks after Mac had  
7 told me he was interested in it, Don Siegelman called  
8 me and asked, said that he would like to appoint Mac  
9 Roberts.

10 Q Okay. And what did you say to him?

11 A I told him that would be fine.

12 Q Okay. Now, this conversation that you had  
13 with the governor, was this conversation his calling  
14 you to find out if it would be okay with you pursuant  
15 to the agreement you and he had that he appoint Mac?

16 A Yes, sir.

17 Q And you told him it would be okay?

18 A Yes, sir.

19 Q As far as you were concerned, he had  
20 complied with his agreement with you?

21 A Yes, sir.

22 Q And did he ultimately appoint Mac Roberts?

23 A Yes, sir, he did.

24 Q Now, prior to the time that Mac Roberts  
25 actually was appointed to be highway director, and

1       there -- I would just -- I'll suggest a date to you  
2       that I think the records bear out. It was actually  
3       inauguration day. I think the 19th of January is the  
4       day that he got appointed to be highway director.

5               Prior to that time -- and I focus on that  
6       date because prior to that time did you have an  
7       opportunity to have a conversation with Mr. Roberts  
8       about a product for painting highway stripes on  
9       highways and roads called Rainline?

10      A           Yes, sir, I did.

11      Q           Did Mr. Roberts tell you during this  
12       conversation that when he became highway director  
13       that he would make sure that the Highway Department  
14       started buying Rainline and that he would get it  
15       done?

16      A           Yes, sir, he did.

17      Q           During that same conversation you discussed  
18       with him, I think, the provision to him of some  
19       monies to pay him for -- I don't know. How would you  
20       characterize it? Is that a bonus that you were  
21       paying him for leaving?

22      A           I'm not sure it was the exact same  
23       conversation, but around the same time frame we did  
24       discuss the closing out of his contract that he had  
25       and paying him a bonus for building the toll

1 facilities.

2 Q So during the same time frame that you're  
3 talking with him about he's going to get it done at  
4 Rainline, you're talking also with him about these  
5 terms and conditions under which he will leave your  
6 employment?

7 A Yes, sir.

8 Q One of those is that you're going to provide  
9 him with a bonus or monies totaling what? How much  
10 was it that you gave him?

11 A The total value was \$125,000. It was  
12 \$115,000 in cash and a company vehicle worth about  
13 \$10,000.

14 Q And then you took some taxes out of that and  
15 paid him the difference; is that right?

16 A Yes, sir. It had his regular payroll check  
17 in it, \$115,000 minus the normal taxes. It ended up  
18 around 70-something thousand, I think it was.

19 Q Now, in fact -- did it in fact happen that  
20 after Mac Roberts became highway director that the  
21 state of Alabama did begin to make purchases of the  
22 Rainline paint striping process?

23 A Yes, sir.

24 Q In fact, they began to make substantial  
25 purchases of that product; is that right?

1 A Yes, sir, that's correct.

2 Q Now, did you have -- after Mr. Roberts  
3 became highway director, did you have occasion to  
4 receive a phone call from the Governor or anyone  
5 associated with him asking you to come over for a  
6 meeting?

7 A Yes, sir, I did.

8 Q Okay. Approximately when did that happen?

9 A End of February, first part of March of  
10 1999.

11 Q And would you tell us what happened? How  
12 did you know that someone from the Governor was  
13 contacting you about getting together? What  
14 happened?

15 A Paul Hamrick called and asked if I would  
16 come over and do a presentation for the Governor of  
17 Rainline.

18 Q Did you go over there and play about a  
19 four-minute long videotape for the Governor?

20 A Yes, sir, I did.

21 Q Did you meet with him in his offices in the  
22 old Capitol building?

23 A Yes, sir.

24 Q Did you believe, based on your interaction  
25 with Siegelman, starting in October when you first

1 got the call to come up and you met with him up in  
2 Birmingham, through the transition and the  
3 conversation that you had with him then and any  
4 others and the conversations that you had at that  
5 meeting that y'all had -- and you said it was in late  
6 February or early March?

7 A Yes, sir.

8 Q Was it your belief and understanding based  
9 on those contacts between you and he that the reason  
10 that he called you over there was to make sure that  
11 you knew that he knew that Mac Roberts had started  
12 buying Rainline over at the Highway Department?

13 A Yes, sir. That was my feeling.

14 Q Okay.

15 MR. FEAGA:

16 Do any of y'all have any questions for Mr.  
17 Allen?

18 (Pause)

19 BY MR. FEAGA:

20 Q I just want to go back again. You said  
21 earlier that what then-candidate and Lieutenant  
22 Governor Siegelman said to you when you spoke with  
23 him on or about the 16th of October 1998 after he  
24 called you to come to Birmingham, that he said that  
25 if you would give him the forty thousand dollars he



1 would let you pick the next highway director?

2 A Yes, sir, I did.

3 Q Okay. It wasn't him saying I'll let you  
4 recommend it or participate in it; he told you you  
5 could pick it?

6 A Yes, sir.

7 Q And your belief is, based on your  
8 interaction with him, that that's exactly what he  
9 did?

10 A Yes, sir.

11 MR. FEAGA:

12 Are there any other questions for Mr. Allen?

13 Thank you very much for coming, sir. You're  
14 excused.

15

16 END OF TESTIMONY

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C E R T I F I C A T E

STATE OF ALABAMA)

COUNTY OF BALDWIN)

I do hereby certify that the above and foregoing transcript of proceedings in the matter aforementioned was taken down by me in machine shorthand and the questions and answers thereto were reduced to writing under my personal supervision, and that the foregoing represents a true and correct transcript of the proceedings given by said witness upon said hearing.

I further certify that I am neither of counsel nor of kin to the parties to the action, nor am I in anywise interested in the result of said cause.

  
JULIA S. ISENHOWER  
Registered Professional Reporter  
and Commissioner  
State of Alabama

My commission expires 4-28-07